BAY AREA COMMUTER BENEFITS PROGRAM

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METROPOLITAN TRANSPORTATION COMMISSION

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

BAY AREA COMMUTER BENEFIT PROGRAM

Program can **save $$** for:

- **your business**
- **your employees**

  and

- Improve air quality
- Reduce GHG emissions
- Reduce traffic congestion

Employers: up to $225/year per employee
Employees: $1,176 or more per year

BAY AREA COMMUTER BENEFITS PROGRAM

Who: Employers with 50+ full-time employees in Bay Area

Where: Throughout the nine-county SF Bay Area

What: Choose a commuter benefit option to offer employees

Why: To reduce air pollution
To reduce traffic congestion

How: Expand availability of federal commuter tax benefits

When: Spring of 2014

FOUR COMMUTER BENEFIT OPTIONS

- **Option 1:** Pre-tax payroll deduction for transit or vanpool
- **Option 2:** Direct subsidy for transit or vanpool
- **Option 3:** Employer-provided transportation
- **Option 4:** Alternative commuter benefit

PURPOSE OF WORKSHOPS

Explain the Commuter Benefits Program

Receive questions & comments

Solicit written comments on two documents:

- **Bay Area Commuter Benefits Program (Draft Regulation 14, Rule 1)**
- **Workshop Report**

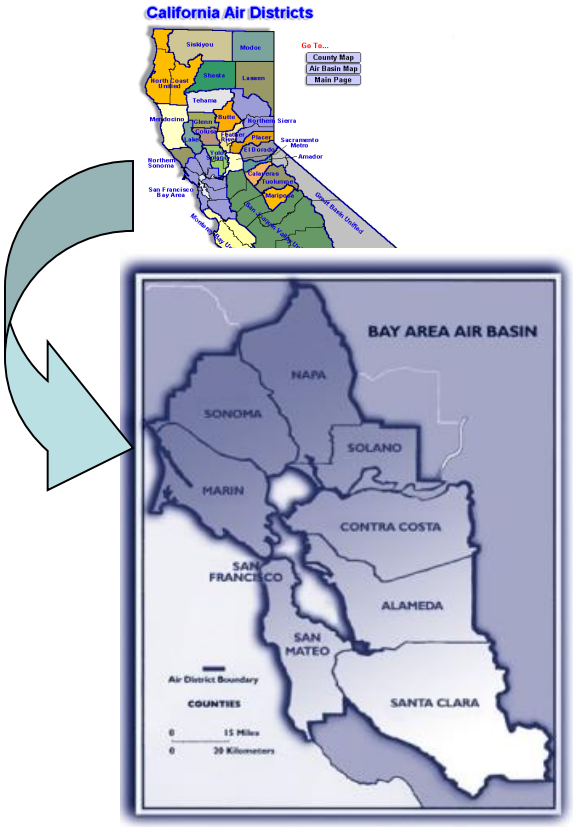
Docs are posted:
www.baaqmd.gov/Divisions/Planning-and-Research/Commuter-Benefits-Program.aspx

Written comments are due November 7

THE AIR DISTRICT & MTC

Bay Area Air Quality Management District (Air District):

Regional air quality agency



Metropolitan Transportation Commission (MTC):

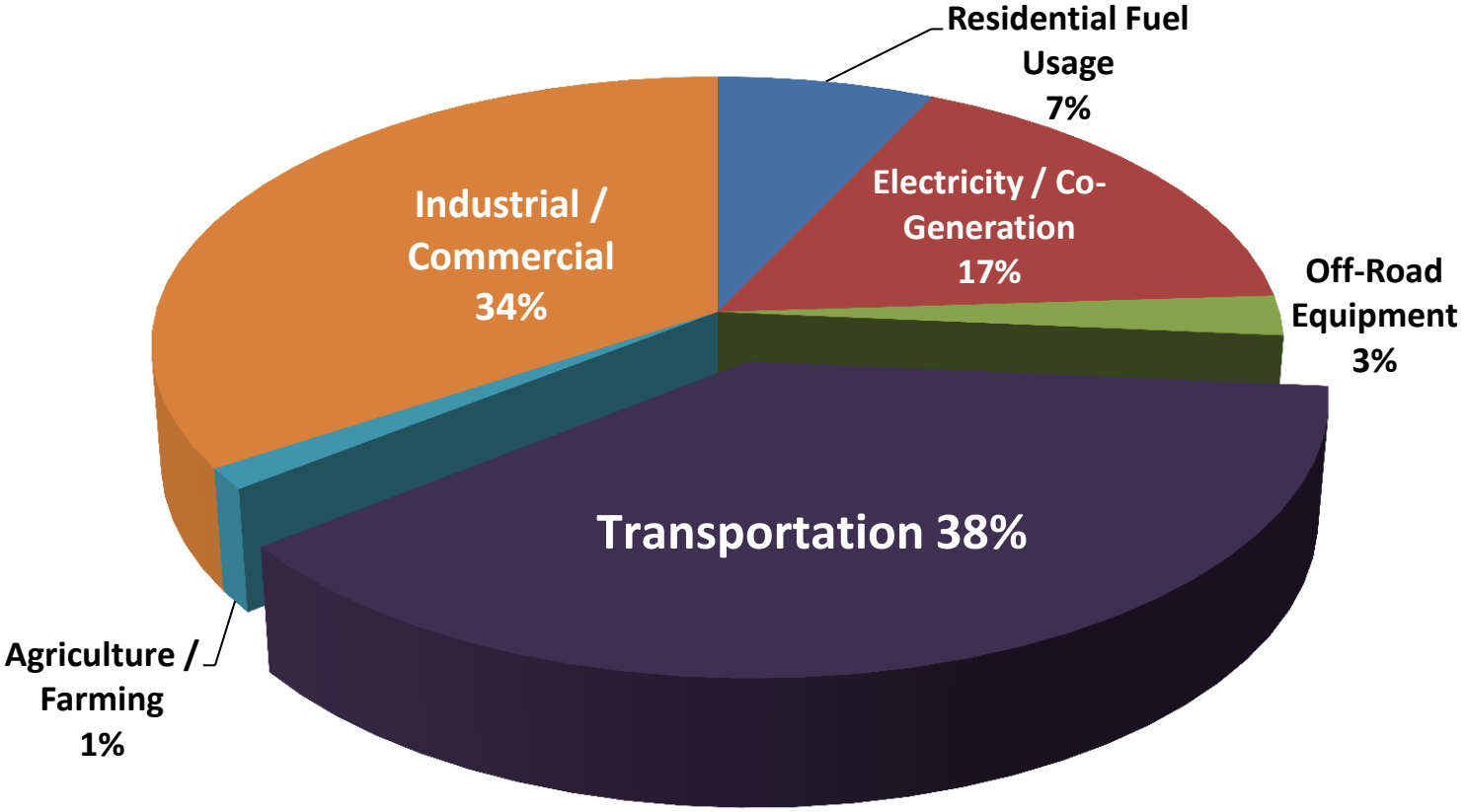
Regional transportation planning agency

BACKGROUND & OVERVIEW

- Senate Bill 1339 signed by Governor in fall 2012
- Authorizes Air District & MTC to jointly adopt a regional commuter benefits ordinance
- Modeled on local ordinances in several Bay Area cities
- Program must be approved by Air District Board of Directors & MTC in order to take effect
- Pilot program: 2014-2016
- Report to Legislature due by July 2016

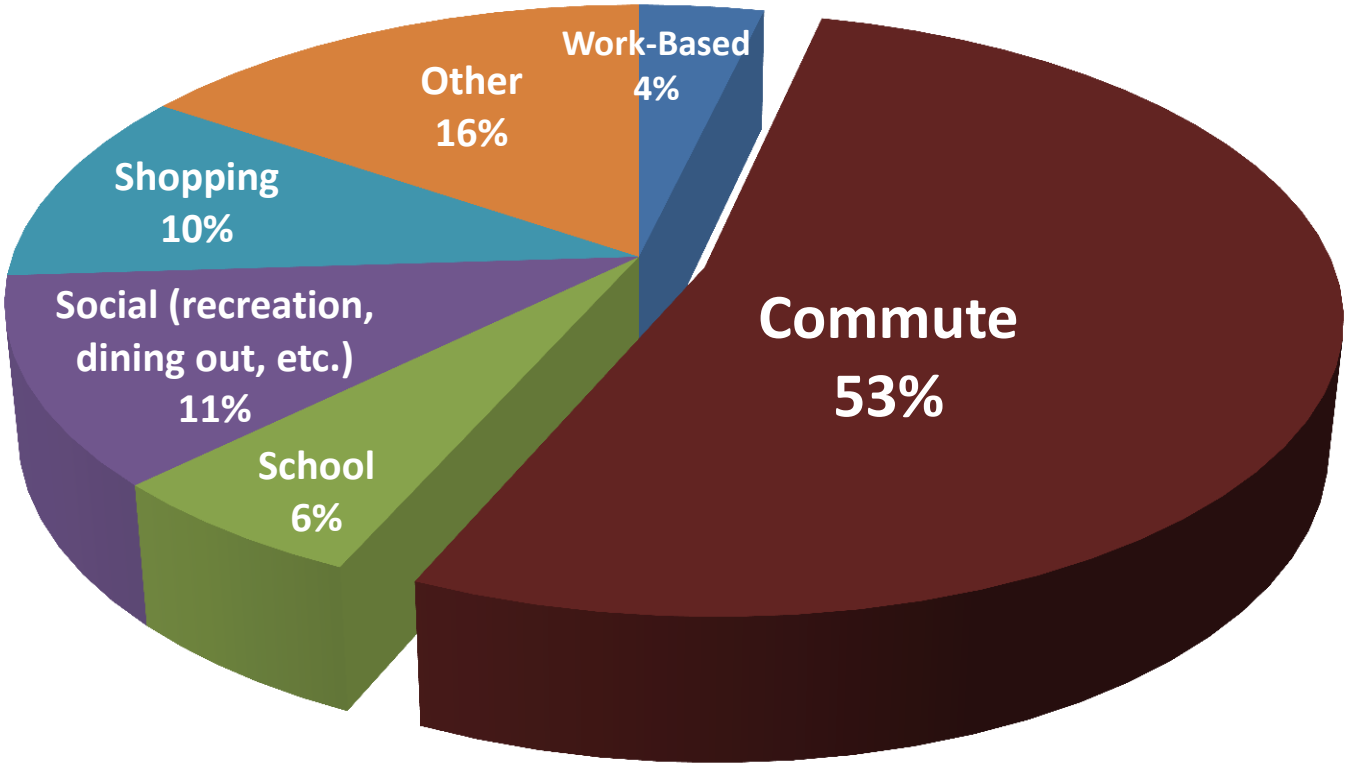
AIR POLLUTION FROM TRANSPORTATION SECTOR

Transportation is the largest source of greenhouse gas emissions in the Bay Area (2012)



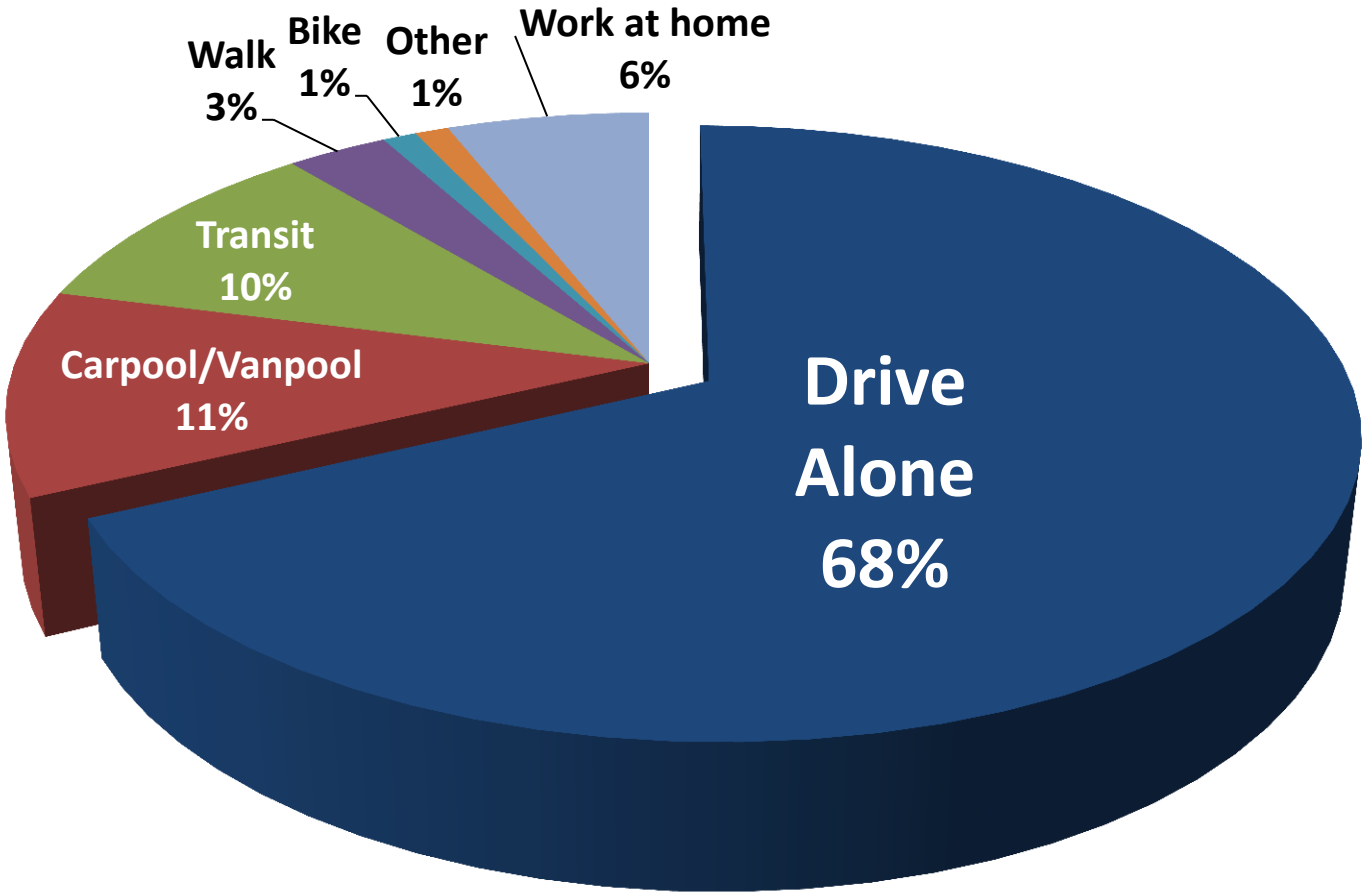
THE ROLE OF COMMUTE TRIPS

Weekday commute trips account for a major share of personal motor vehicle travel (2010)



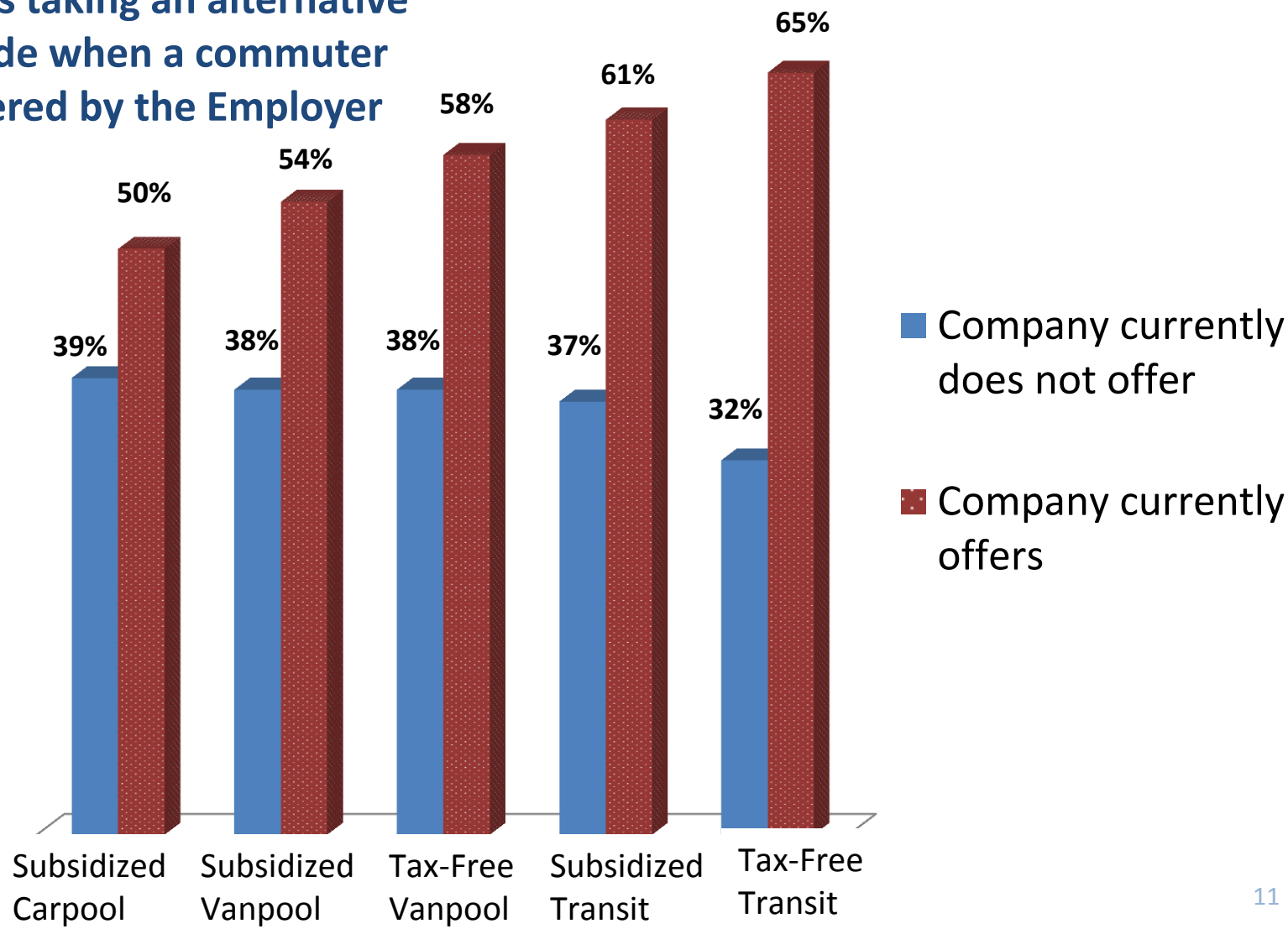
BAY AREA COMMUTE MODE SPLIT

Two-thirds of Bay Area commuters drive to work alone



EMPLOYERS CAN INFLUENCE MODE CHOICE

% of Employees taking an alternative commute mode when a commuter benefit is offered by the Employer



ROLE OF EMPLOYER

Offer commuter benefits to encourage employees to use alternative commute modes

Program will **not**:

- require employer to attain any target or standard
- require any employee to change commute mode

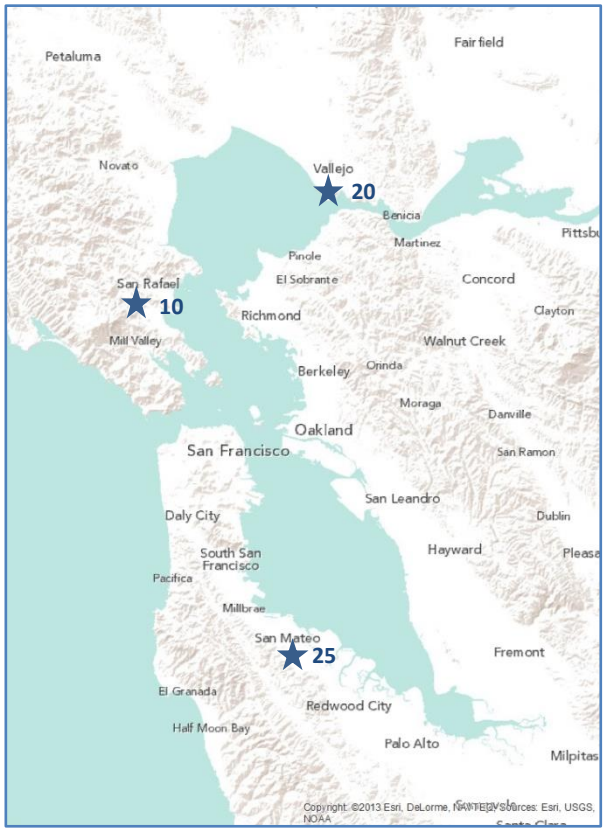
APPLICABILITY

Employers with 50+ full-time employees in Bay Area:

- Private business
- Public agency
- Non-profit organization

Employee count based on all Bay Area worksites combined

- Including branch locations with less than 50 employees



DEFINITION OF "EMPLOYEE"

Employee: Anyone who receives W-2 form for tax purposes

Full-time employee: works 30 hours or more per week

Seasonal/temporary employees are not included (120 days per year or less)

Who is eligible to receive the commuter benefit?

- **Covered employees**: 20 hours or more per week

PROPOSED PROGRAM REQUIREMENTS

- Designate a commuter benefits coordinator
- Select one of the commute benefit options
- Register with the Program
- Notify employees
- Provide information needed for Program evaluation

- **Transportation Management Association** (TMA) can represent employer to comply with Program requirements

FOUR COMMUTER BENEFIT OPTIONS

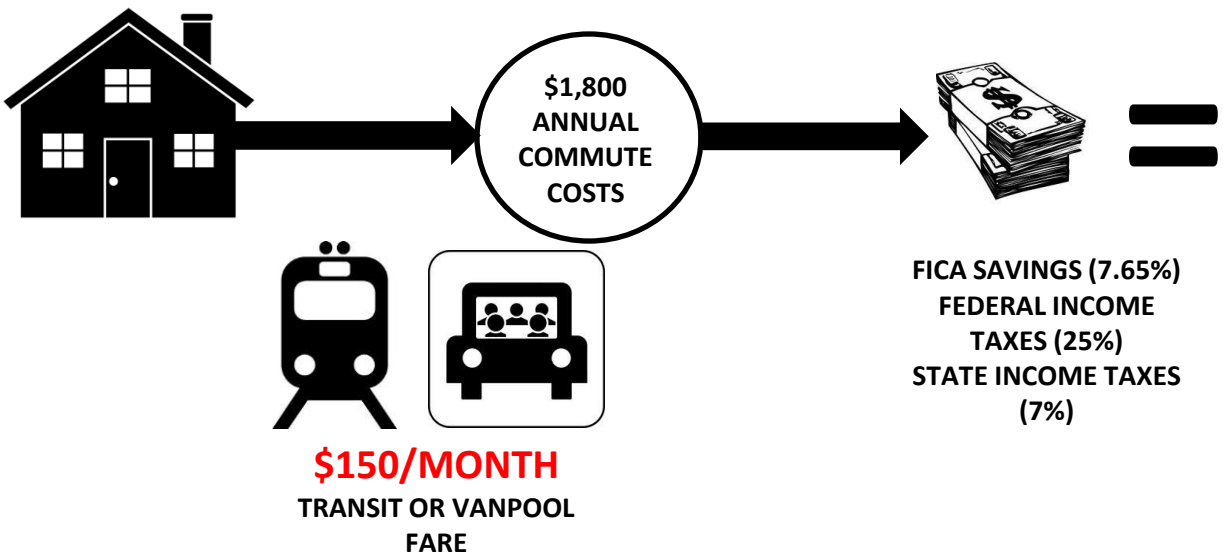
- **Option 1:** Employer offers employees a pre-tax payroll deduction for transit or vanpool costs. Up to $245/month per IRS code
- **Option 2:** Employer subsidizes transit or vanpool cost (up to $75/employee/month max)
- **Option 3:** Employer provides free or low-cost bus, shuttle, or vanpool service for employees
- **Option 4:** Alternative commuter benefit

SAVINGS TO EMPLOYERS & EMPLOYEES

Option 1: By allowing use of pre-tax $$ for transit & vanpool

-Employers: can save **~8%** (or more) in payroll tax savings

-Employees: can save on average **40%** (or more) on their (after-tax) commute costs



$138/year in savings to employer

&

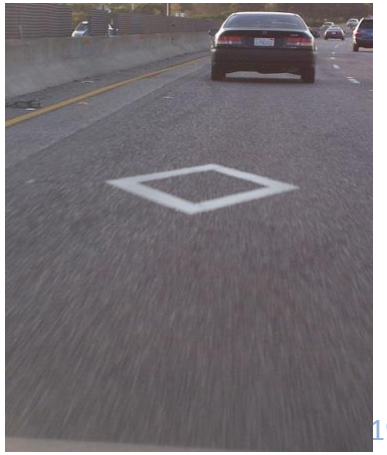
$720/year in savings to employee

SAVINGS TO EMPLOYERS & EMPLOYEES

Option 1 (pre-tax $$)	Monthly Employee Cost of Transit / Vanpool Fare (in Pre-tax Dollars)		
	$75	**$150**	**$245**
Savings to Employers (per Employee) FICA Tax (Social Security + Medicare) 7.65%	$6 / month	$ 12 / month	$ 19 / month
	$70 / year	$140 / year	$ 225 / year
Employee Savings Assumes 25% federal income tax, 7.35% State/local income tax, plus 7.65% employee share of FICA	$30 / month	$60 / month	$98 / month
	$360 / year	$720 / year	$1,176/ year

OPTION 4: ALTERNATIVE BENEFIT

- Employer may propose an alternative commuter benefit
- Must be as effective as Options 1, 2 & 3 in reducing drive-alone commute trips (or vehicle emissions)
- Promote alternative modes such as carpool, bike, walk
- Program will define “pre-approved” alternatives
- Employer can also propose its own alt commuter benefit
- Air District/MTC will evaluate and approve alternative commuter benefit proposals



POSITIVE OUTCOMES: ALL BAY AREA RESIDENTS

- Better air quality
- Reduced greenhouse gases
- Less traffic congestion
- Improved benefits help to recruit & retain employees
- Savings to employers & employees
- More $$ stay in the Bay Area: helps the local economy

Q & A

Questions & Comments

COMMUTER BENEFITS PROGRAM ELEMENTS

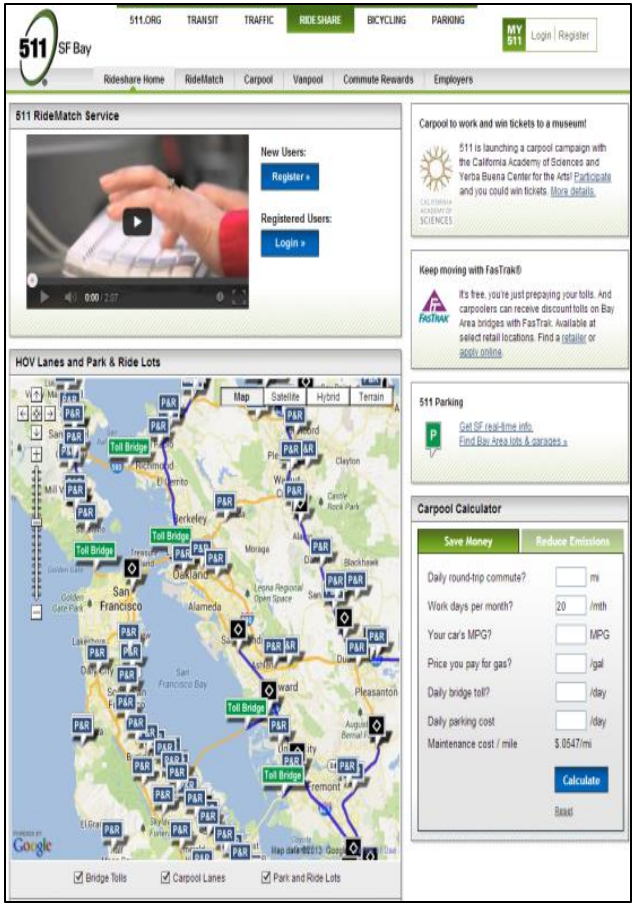
Program will be based on a new rule: Regulation 14, Rule 1

- Guidelines to explain Program options & requirements
- Employer assistance via MTC 511.org program
- On-line registration system

Objectives:

- Make it easy for employers to comply
- Minimize administrative requirements

EMPLOYER REGISTRATION PROCESS



What?

- Easy access to secure, automated, online registration process

When?

- Employers have six months to complete process/implement program

How?

- Register online
- Offer your employees the benefit
- Report on benefit offered

ONLINE EMPLOYER ASSISTANCE

Online materials on 511.org will include:

- Guidance document
- Self-guided Tutorial
- Frequently Asked Questions
- Examples of Employer Commuter Benefit Programs
- Registration Form
- List of Commuter Benefit Providers

PERSONALIZED EMPLOYER ASSISTANCE

Local employer outreach staff are available to provide free assistance:

- **Alameda, Marin, Santa Clara, and Sonoma Counties** - 511 Regional Rideshare Program
- **Contra Costa County** – 511 Contra Costa
- **San Mateo County** - Peninsula Traffic Congestion Relief Alliance
- **San Francisco County** - San Francisco Department of the Environment
- **Solano and Napa County** - Solano/Napa Commuter Information

Contact information for all of the above available at:
http://rideshare.511.org/employers/contact.aspx

PART 3: PROCESS & TIMELINE

Task / Milestone	Draft Time Frame
Seek initial input from employers & stakeholders	March → July 2013
Conduct workshops on draft proposal	October 2013
Consider comments. Prepare proposed Program: - Proposed rule & staff report - CEQA analysis - Socio-Economic Analysis	November – December 2013
Public Hearing to approve Program - Adoption by Air District Board - Concurrence by MTC Commission	February 2014
Employers will have 6 months to implement program	March – August 2014

FOR MORE INFORMATION

- www.BAAQMD.gov/commuterbenefits
- www.sparetheair.org
- www.511.org

- **To submit comments via email: commuterbenefits@BAAQMD.gov**

- **To submit comments via US mail by November 7:**

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  939 Ellis St.
  San Francisco, CA 94109

End of Presentation

Questions & Comments